



PSC NEWS

Missouri Public Service Commission

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NATURAL GAS RATES TO CHANGE FOR AQUILA, INC. d/b/a AQUILA NETWORKS-L&P UNDER SCHEDULED WINTER NATURAL GAS FILING

Jefferson City (November 18, 2004)----To primarily reflect estimated changes in the cost of natural gas for the winter season, Aquila, Inc. d/b/a Aquila Networks-L&P customers will experience an increase in natural gas rates under a scheduled winter season filing reviewed and accepted by the Missouri Public Service Commission. This rate change, which will take effect on November 20, 2004, is interim subject to refund.

A residential customer currently pays \$0.73333 per Ccf (100 cubic feet of gas). Under this filing, the rate will increase to \$0.79008 per Ccf, an increase of approximately 5.6 cents per Ccf. The effect on a residential customer using 888 Ccf's during the winter season (November through March) is an increase of approximately \$50 (total for the five month period) when compared to the rates currently in effect.

Approximately 65% to 80% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. **The wholesale cost of natural gas** (the cost the local natural gas company must pay to its suppliers for natural gas) **is not regulated by the Missouri Public Service Commission.** The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

Aquila, Inc. d/b/a Aquila Networks-L&P serves approximately 6,125 natural gas customers in the Missouri counties of Andrew, Atchison, Nodaway and Holt.

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